



**News Flash** - The Centers for Medicare & Medicaid Services (CMS) has completed the bid evaluation process and announced the single payment amounts for the Round 1 Rebid of the Medicare durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) competitive bidding program. Competitive bidding will determine where Medicare beneficiaries residing in competitive bidding areas must obtain many DMEPOS items as of January 1, 2011. For additional information about the Medicare DMEPOS Competitive Bidding Program, visit <http://www.cms.hhs.gov/DMEPOSCompetitiveBid/> on the CMS website.

MLN Matters® Number: MM7073

Related Change Request (CR) #: 7073

Related CR Release Date: November 12, 2010

Effective Date: July 1, 2011

Related CR Transmittal #: R808OTN

Implementation Date: July 5, 2011

## Additional Guidance on Implementing System Edits for Certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

### Provider Types Affected

Suppliers who submit claims to Medicare DME Medicare Administrative Contractors (DME MACs) for DMEPOS services provided to Medicare beneficiaries.

### Provider Action Needed

This article is based on Change Request (CR) 7073. The Centers for Medicare & Medicaid Services (CMS) is issuing CR7073 to provide further guidance to suppliers of DMEPOS, regarding licensing, accreditation, or other mandatory quality requirements that may apply. DMEPOS suppliers should be aware that if they are not identified by the National Supplier Clearing House-Medicare Administrative Contractor (NSC-MAC) **as being accredited** to supply the specific product/service AND they are not exempt from accreditation, their claims will be denied automatically by Medicare.

### Background

Section 302 of the Medicare Modernization Act of 2003 (MMA) added a new paragraph 1834(a)(20) to the Social Security Act (the Act). This paragraph

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requires the Secretary of the Department of Health and Human Services to establish and implement quality standards for suppliers of DMEPOS. All suppliers that furnish such items or services set out at subparagraph 1834(a)(20)(D) as the Secretary determines appropriate must comply with the quality standards in order to receive Medicare Part B payments and to retain a Medicare supplier number to be able to bill Medicare. Pursuant to subparagraph 1834(a)(20)(D) of the Act, the covered items and services are defined in Section 1834(a)(13), Section 1834(h)(4) and Section 1842(s)(2) of the Act. The covered items include:

- DME;
- Medical supplies;
- Home dialysis supplies and equipment;
- Therapeutic shoes;
- Parenteral and enteral nutrient, equipment and supplies;
- Transfusion medicine; and
- Prosthetic devices, prosthetics, and orthotics.

Section 154(b) of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) added a new subparagraph (F) to Section 1834(a)(20) of the Act. In implementing quality standards under this paragraph the Secretary will require suppliers furnishing items and services directly, or as a subcontractor for another entity, to have submitted evidence of accreditation by an accreditation organization designated by the Secretary. This subparagraph states that eligible professionals and other persons (defined below) are exempt from meeting the accreditation deadline unless CMS determines that the quality standards are specifically designed to apply to such professionals and persons. The eligible professionals who are exempt from meeting the September 30, 2009, accreditation deadline (as defined in Section 1848(k)(3)(B)) include the following practitioners:

- Physicians (as defined in Section 1861(r) of the Act);
- Physical Therapists;
- Occupational Therapists;
- Qualified Speech-Language Pathologists;
- Physician Assistants;
- Nurse Practitioners;
- Clinical Nurse Specialists;
- Certified Registered Nurse Anesthetists;

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- Certified Nurse-Midwives;
- Clinical Social Workers;
- Clinical Psychologists;
- Registered Dietitians; and
- Nutritional Professionals.

Additionally, MIPPA allows the Secretary to specify “other persons” that are exempt from meeting the accreditation deadline unless CMS determines that the quality standards are specifically designed to apply to such other persons. At this time, “such other persons” are specifically defined as the following practitioners:

- Orthotists;
- Prosthetists;
- Opticians; and
- Audiologists, and
- Pharmacies (. that have an NSC-MAC approved “Attestation for Exemption from Accreditation for a Medicare Enrolled Pharmacy. (see the NSC-MAC website at [Palmettogba.com](http://Palmettogba.com) or the CMS website) (In accordance with Section 3109(a) of the Patent Protection and Affordable Care Act.)

## Key Points

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All supplier types (except those listed above) who furnish items and services requiring accreditation, directly or as a subcontractor for another entity, must have submitted evidence of accreditation by an accreditation organization designated by the Secretary on or after October 1, 2009.

Edits for the Healthcare Common Procedure Coding System (HCPCS) codes in the product categories designated by MIPPA as requiring accreditation will be in effect. Effective for claims with dates of service on or after July 5, 2011, this Medicare systems edit will automatically deny claims for these codes unless:

1. The DMEPOS supplier has been identified as accredited for the timeframe that covers the date of service on the claim; or
2. The DMEPOS supplier is currently exempt from meeting the accreditation requirements.

When claims are denied, DME MACs will use the following messages:

- Remark Code N211 – “Alert: You may not appeal this decision” and

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- Claim Adjustment Reason Code B7 – “This provider was not certified/eligible to be paid for this procedure/service on this date of service. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.”

**Note:** Products and services requiring accreditation found on CMS 855S, Section 2D next to the NSC-MAC product codes along with HCPCS codes may be found in Attachment B in CR 7073. Their corresponding HCPCS codes may be found in Attachment C. The web address of CR 7073 can be found in the next section of this article.

## Additional Information

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If you have questions, please contact your Medicare DME MAC at their toll-free number which may be found at:

<http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

The official instruction (CR7073) issued to your Medicare DME MAC is available at <http://www.cms.gov/Transmittals/downloads/R808OTN.pdf> on the CMS website.

To review the CR6566, the initial article listing HCPCS codes, you may go to <http://www.cms.gov/MLNMattersArticles/downloads/MM6566.pdf> on the CMS website.

For additional information about the NSC-MAC and Recent Regulatory Revisions Pertinent to Suppliers of DMEPOS MM6282 is available at <http://www.cms.gov/mlnmattersarticles/downloads/MM6282.pdf> on the CMS website.

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